

ASSEMBLY BILL

No. 1568

Introduced by Assembly Member Grove

January 30, 2014

An act to amend Sections 14838.5 and 14838.64 of the Government Code, and to amend Sections 10508.5 and 20651.2 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 1568, as introduced, Grove. Public contracts: direct quotes.

Existing law authorizes a state agency, the University of California, the California State University, and a community college district to award a contract for goods, services, or information technology with a value between \$5,000 and \$250,000 or \$100,000 and \$250,000, as applicable, to a certified small business, including a microbusiness and a disabled veteran business enterprise, if that agency obtains price quotations from 2 or more certified small businesses, as specified.

This bill would require these agencies to directly obtain the price quotations from 2 or more certified small businesses, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14838.5 of the Government Code is
- 2 amended to read:
- 3 14838.5. (a) Notwithstanding the advertising, bidding, and
- 4 protest provisions of Chapter 6 (commencing with Section 14825)
- 5 of this part and Chapter 2 (commencing with Section 10290) and

Chapter 3 (commencing with Section 12100) of Part 2 of Division 2 of the Public Contract Code, a state agency may award a contract for the acquisition of goods, services, or information technology that has an estimated value of greater than five thousand dollars (\$5,000), but less than two hundred fifty thousand dollars (\$250,000), to a certified small business, including a microbusiness, or to a disabled veteran business enterprise, as long as the agency obtains price quotations *directly* from two or more certified small businesses, including microbusinesses, or *directly* from two or more disabled veterans business enterprises.

(b) In carrying out subdivision (a), a state agency shall consider a responsive offer timely received from a responsible certified small business, including a microbusiness, or from a disabled veteran business enterprise.

(c) If the estimated cost to the state is less than five thousand dollars (\$5,000) for the acquisition of goods, services, or information technology, or a greater amount as administratively established by the director, a state agency shall obtain at least two price quotations *directly* from responsible suppliers whenever there is reason to believe a response from a single source is not a fair and reasonable price.

SEC. 2. Section 14838.64 of the Government Code is amended to read:

14838.64. (a) Notwithstanding any other law, including, but not limited to, the advertising, bidding, and protest provisions of Chapter 6 (commencing with Section 14825) of this part and Chapter 2.5 (commencing with Section 10700) and Chapter 3 (commencing with Section 12100) of Part 2 of Division 2 of the Public Contract Code, the California State University may award a contract for the acquisition of goods, services, or information technology that has an estimated value of greater than five thousand dollars (\$5,000), but less than two hundred fifty thousand dollars (\$250,000), to a certified small business, including a microbusiness, or to a disabled veteran business enterprise, if the California State University *directly* obtains price quotations from two or more certified small businesses, including microbusinesses, or *directly* from two or more disabled veteran business enterprises.

(b) In carrying out subdivision (a), the California State University shall consider a responsive offer timely received from

1 a responsible certified small business, including a microbusiness,
2 or from a disabled veteran business enterprise.

3 SEC. 3. Section 10508.5 of the Public Contract Code is
4 amended to read:

5 10508.5. (a) Notwithstanding any other law, including, but
6 not limited to, the advertising, bidding, and protest provisions of
7 Chapter 2.1 (commencing with Section 10500), the University of
8 California may award a contract for the acquisition of goods,
9 services, or information technology that has an estimated value of
10 greater than one hundred thousand dollars (\$100,000), but less
11 than two hundred fifty thousand dollars (\$250,000), to a certified
12 small business, including a microbusiness, or to a disabled veteran
13 business enterprise, if the University of California *directly* obtains
14 price quotations from two or more certified small businesses,
15 including microbusinesses, or *directly* from two or more disabled
16 veteran business enterprises.

17 (b) In carrying out subdivision (a), the University of California
18 shall consider a responsive offer timely received from a responsible
19 certified small business, including a microbusiness, or from a
20 disabled veteran business enterprise.

21 (c) No provision of this section shall apply to the University of
22 California except to the extent that the Regents of the University
23 of California, by appropriate resolution, make that provision
24 applicable.

25 SEC. 4. Section 20651.2 of the Public Contract Code is
26 amended to read:

27 20651.2. (a) Notwithstanding any other law, including, but
28 not limited to, the advertising, bidding, and protest provisions of
29 this article and Division 7 (commencing with Section 70900) of
30 Title 3 of the Education Code, but subject to Section 88003.1, the
31 governing board of a community college district may award a
32 contract for the acquisition of goods, services, or information
33 technology that has an estimated value of greater than five thousand
34 dollars (\$5,000), but less than two hundred fifty thousand dollars
35 (\$250,000), to a certified small business, including a microbusiness,
36 or to a disabled veteran business enterprise, if the community
37 college district *directly* obtains price quotations from two or more
38 certified small businesses, including microbusinesses, or *directly*
39 from two or more disabled veteran business enterprises.

- 1 (b) In carrying out subdivision (a), a community college district
- 2 shall consider a responsive offer timely received from a responsible
- 3 certified small business, including a microbusiness, or from a
- 4 disabled veteran business enterprise.
- 5 (c) The definitions set forth in Section 14837 of the Government
- 6 Code apply to this section.